Legislative Assembly Pension Plan

ANNUAL REPORT 2025

Civil Service Superannuation Board

Land acknowledgement

We acknowledge that Manitoba is located on the Treaty Territories and ancestral lands of the Anishinaabeg, Anishininewuk, Dakota Oyate, Denesuline, and Nehethowuk Nations.

We acknowledge Manitoba is located on the Homeland of the Red River Métis.

We acknowledge northern Manitoba includes lands that were and are the ancestral lands of the Inuit.

We respect the spirit and intent of Treaties and Treaty Making and remain committed to working in partnership with First Nations, Inuit, and Metis people in the spirit of truth, reconciliation and collaboration.

Contents

Overview

The Legislative Assembly Pension Plan (LAPP) is a defined benefit pension plan for members of the Legislative Assembly of Manitoba (MLAs). The plan is designed to provide members with retirement income for life.

LAPP was established in 2005 and is administered by the Civil Service Superannuation Board (CSSB). The plan is subject to the Members' Retirement Benefits Regulation under *The Legislative Assembly Act*.

Enrollment

LAPP is an optional pension plan. New MLAs can join within six months of being elected and participation continues until the member is no longer an MLA. Contributions stop at the end of the year in which the member turns 71 or when they have 35 years of pensionable service, whichever comes first. Members can retire at age 55 with at least one year of service.

Members

		2025	2024
Member	Non-retired members	71	74
	Retired members and other recipients	75	72
	Total members	146	146

Message from the CAO

Michael Emslie

Welcome to the 2025 Legislative Assembly Pension Plan annual report, a summary of the plan, investments, and audited financial statements from January 1 to December 31.

Investment results

In 2025, the fund earned a return of 11.66%, supported by strong performance in US equities and infrastructure investments. This result was slightly below the policy benchmark of 12.44%, primarily due to weaker relative performance in international equities, Canadian equities, and private equity.

Looking ahead

Since joining CSSB last July, I've had the opportunity to gain a deeper appreciation for and understanding of the important role CSSB plays in supporting the retirement security for Legislative Assembly Pension Plan members. I have also seen firsthand the dedication of the people who contribute to that work every day.

I would like to thank Bruce Schroeder for his years of dedicated leadership as General Manager. His guidance helped CSSB navigate significant growth and change while maintaining a strong focus on serving members.

I would also like to thank outgoing Board Chair Carmele Peter for her leadership, commitment, and many contributions to the organization. In 2025, Brett Becker was appointed as Chair of the Board. Brett brings extensive experience in pension plan governance, strengthening the Board's depth of knowledge and expertise.

On behalf of CSSB, I extend my thanks to the Board and our employees for their ongoing support, collaboration, and dedication. Their efforts continue to strengthen the organization and support the long-term success of the pension plans we administer.

CSSB leadership

(as at December 31, 2025)

Administration

Michael Emslie, CPA, CA, ICD.D
Chief Administrative Officer

Hans Berger
Director
Management Information Systems

Jared Mickall, FCIA, FSA
Director
Actuarial and Pension Services

Erin Polcyn Sailer, CPHR, MCIPD, CEBS
Director
Communications and Member Services

Dawn Prokopowich
Director
Client Services Administration

Rick Wilson, CPA, CGA, CEBS
Director
Finance and Investment Communications and Management Services

Investments

Peter Josephson, CFA
Chief Investment Officer

Clancy Ethans, MBA, CFA
Managing Director, Alternative Assets

External advisory services and regulatory oversight

Consulting Actuary
Ellement Consulting Group

Legal Counsel
Fillmore Riley

Auditor
Office of the Auditor General

Member Services

LAPP members can get information and discuss their accounts with CSSB staff in person, virtually, by email, or phone. To support their planning, members are always welcome to include their spouse, financial planner, or anyone involved in key financial decisions.

Governance

(as at December 31, 2025)

The Legislative Assembly Management Commission appoints a commissioner to decide on salary, allowances, and pension benefits. The commissioner implements any changes and reports their decisions to the Speaker.

The Civil Service Superannuation Board (Governing body)

The Board is the pension plan trustee. They are fiduciaries, responsible for overseeing the pension plan's administration and management of the fund, ensuring investments benefit all members.

Chair

Brett Becker, CFA

Employee representatives

Jody Gillis, MTMS

Doug Troke

Samantha Probetts, CEBS, GBA, RPA

C. Reed Winstone, P. ENG. (RET.)

Employer representatives

Donna Rose, B. COMM (HONS.), CEBS

Randal T Smith, KC

Scott Wilson, B. COMM (HONS.), CIM

Lynn Zapshala-Kelln, B. ADMIN., CPA

Finance and Audit Committee

Scott Wilson
Chair

Jody Gillis

Samantha Probetts

Lynn Zapshala-Kelln

Human Resources and Governance Committee

Donna Rose
Chair

Randal T Smith

Doug Troke

C. Reed Winstone

Investment Committee

The Investment Committee manages the assets of the Legislative Assembly Pension Plan.

Elizabeth Marr, CFA, ICD.D*
Chair

Brian Allison, B. COMM, MBA, CFA*

Brett Becker, CFA^

Richard Brownscombe*

William Chornous, CFA

Michael Emslie, CPA, CA, ICD.D^

Greg Epp+

Nicoletta Oprea
Assistant Deputy Minister,
Treasury Division^

BJ Reid, FCPA, FCA, ICD.D*

C. Reed Winstone, P. ENG. (RET.)^

* Appointed based on investment expertise
^ Required by legislation
+ Appointed by Manitoba Hydro to represent Hydro Fund only

Contributions and funding

LAPP is funded by member contributions, provincial government contributions, and investment income. Members contribute 9% of their salary to the plan. The Province pays the balance of the cost for pension benefits and other expenses, such as administrative costs.

The formula

The defined benefit pension plan formula is based on years of pensionable service and the average of a member's best five years of pensionable earnings while in the plan. If a member hasn't worked five years, the average is the best on all years worked while in the plan.

The maximum pension is 70% of the best five-year average pensionable earnings.

The resulting pension amount is subject to income tax limits.

Rate of return

To the extent possible, LAPP is invested like the Civil Service Superannuation Fund. In 2025, the LAPP rate of return was 11.66%, the benchmark was 12.44%.

Cost-of-living adjustment

Each year, retired LAPP members are guaranteed an increase of at least two-thirds (66.67%) of the increase in the previous year's Canadian Consumer Price Index (CPI). CPI is a measure of inflation. In 2024, CPI was 1.83%.

In 2025, the LAPP cost-of-living adjustment was 1.22%.

Highlights

		2025	2024
Investments	Rate of return	11.66%	16.55%
	Investments at market value at end of year	$53,110,058	$48,791,907
	Net investment income	$1,414,578	$1,131,986*
	Change in fair value of investments	$3,462,769	$6,017,296*
Contributions and payments	Member contributions	$1,025,961	$620,400
	Government payments	$1,174,576	$1,105,691
	Total	**$2,200,537**	**$1,726,091**
Payments from fund	Pension benefits paid	$1,969,898	$1,828,748
	Refunds and transfers	$616,537	$186,463
Expenses	Administrative	$109,270	$105,795
	Investment	$239,979	$190,857

* 2024 amounts have been restated to reflect updated information (previously reported balances were $1,137,452 and $6,011,830, respectively)

Financials

MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of the Legislative Assembly Pension Fund are the responsibility of management and have been prepared in accordance with Canadian accounting standards for pension plans, as stated in the notes to the financial statements. Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and to safeguard the assets of the Fund. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 28, 2026.

The firm of Ellement Consulting Group has been appointed as consulting actuary for the Fund. The role of the actuary is to complete the triennial actuarial valuations of the Fund in accordance with actuarial practice and estimate the obligations for benefits for inclusion in the annual financial statements.

The Auditor General performs an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards. The resulting opinion is set out in the Auditor's Report attached to the financial statements.

Ultimate responsibility for the financial statements rests with the members of the Civil Service Superannuation Board. The Board established a Finance and Audit Committee to meet with Board staff and representatives of the Auditor General. It is the responsibility of the Finance and Audit Committee to review the financial statements, ensure that each group has properly discharged its respective responsibilities and make a recommendation to the Board regarding approval of the financial statements. The auditors have full and unrestricted access to the Board and to the Finance and Audit Committee.

The Board has reviewed and approved these financial statements.

On behalf of Management,

Michael Emslie	Rick Wilson
Chief Administrative Officer	Director, Finance
The Civil Service Superannuation Board	The Civil Service Superannuation Board

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Manitoba
To the Members of the Legislative Assembly Pension Fund

Opinion

We have audited the financial statements of the Legislative Assembly Pension Fund (LAPF) which comprise the statement of financial position as at December 31, 2025, and the statement of changes in net assets available for benefits, the statement of changes in pension obligations and the statement of changes in surplus (deficit) for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LAPF as at December 31, 2025, and the changes in its net assets available for benefits, the changes in its pension obligations and the changes in its surplus (deficit) for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the LAPF in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the LAPF's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate the LAPF or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the LAPF's financial reporting process.

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Auditor General
MANITOBA

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the LAPF's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the LAPF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the LAPF to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Office of the Auditor General

Office of the Auditor General
Winnipeg, Manitoba
May 28, 2026

EXHIBIT A

LEGISLATIVE ASSEMBLY PENSION FUND
Statement of Financial Position
As at December 31, 2025

	2025	2024
Assets		
Investments, Schedule 1, Note 2(b)	$ 53,110,058	$ 48,791,907
Accrued interest and dividends	93,088	77,597
Receivables	29,626	-
	53,232,772	48,869,504
Liabilities		
Accounts payable and accrued liabilities	95,333	114,244
Net assets available for benefits, Exhibit B	**$ 53,137,439**	**$ 48,755,260**
Pension Obligations and Surplus		
Actuarial value of pension obligations, Exhibit C, Note 9	$ 45,798,301	$ 44,507,873
Surplus, Exhibit D	7,339,138	4,247,387
Pension obligations and surplus	**$ 53,137,439**	**$ 48,755,260**

The accompanying notes and schedules are an integral part of these financial statements.

Signed on behalf of the Civil Service Superannuation Board

Chairperson of the Board

Chairperson, Finance and Audit Committee

EXHIBIT B

LEGISLATIVE ASSEMBLY PENSION FUND
Statement of Changes in Net Assets Available for Benefits
For the year ended December 31, 2025

	2025	2024
Increase in assets		
Contributions, Note 1(a) and 4		
Employees	$ 1,025,961	$ 620,400
Employer	1,174,576	1,105,691
Total contributions	2,200,537	1,726,091
Net investment income, Schedule 2	1,414,578	1,131,986
Current period change in fair value of investments, Note 6	3,462,769	6,017,296
Total increase in assets	7,077,884	8,875,373
Decrease in assets		
Benefits paid	1,969,898	1,828,748
Refunds and transfers	616,537	186,463
Administrative expenses, Note 8	109,270	105,795
Total decrease in assets	2,695,705	2,121,006
Increase in net assets available	4,382,179	6,754,367
Net assets available for benefits, beginning of year	48,755,260	42,000,893
Net assets available for benefits, end of year, Exhibit A	**$ 53,137,439**	**$ 48,755,260**

The accompanying notes and schedules are an integral part of these financial statements.

EXHIBIT C

LEGISLATIVE ASSEMBLY PENSION FUND
Statement of Changes in Pension Obligations
For the year ended December 31, 2025

	2025	2024
Pension obligations, beginning of year	$ 44,507,873	$ 43,163,585
Change in pension obligations		
Change in actuarial assumptions - beginning of year	(961,854)	-
Experience (gain)	106,936	(976,720)
Past service purchased	397,565	-
Benefits accrued	1,670,555	1,542,739
Benefits and administrative expenses paid	(2,695,706)	(2,121,006)
Interest accrued on benefits	2,618,785	2,649,131
Change in reserves	-	125,002
Change in actuarial assumptions	154,147	125,142
	1,290,428	1,344,288
Pension obligations, end of year, Exhibit A	**$ 45,798,301**	**$ 44,507,873**

The accompanying notes and schedules are an integral part of these financial statements.

EXHIBIT D

LEGISLATIVE ASSEMBLY PENSION FUND
Statement of Changes in Surplus (Deficit)
For the year ended December 31, 2025

	2025	2024
Surplus (Deficit), beginning of year	$ 4,247,387	$ (1,162,692)
Increase in net assets available	4,382,179	6,754,367
Change in pension obligations	(1,290,428)	(1,344,288)
	3,091,751	5,410,079
Surplus, end of year, Exhibit A	**$ 7,339,138**	**$ 4,247,387**

The accompanying notes and schedules are an integral part of these financial statements.

1. Description of Plan

The Legislative Assembly Pension Fund (the “Fund”) was established on March 31, 2005, with an effective date of December 7, 2005. The Legislative Assembly Pension Plan (the “Plan”) provides benefits to members of the Manitoba Legislative Assembly (“MLA”).

The following description of the Plan is a summary only. For more complete information, reference should be made to the *Members’ Retirement Benefits Regulation* of *The Legislative Assembly Act.*

The Fund is a registered Pension trust as defined in the Income Tax Act and is not subject to income taxes.

(a) Funding

The Act requires members to contribute 9% of pensionable earnings and the Province to fund the balance of costs associated with the pension plan. In addition, as members of the Plan, employees can elect to purchase pensionable service for all or any part of the period they were an MLA between April 25, 1995 and the beginning of the pay period for which the member began making contributions by source deduction to the Fund. The Province of Manitoba is required to contribute sufficient funds to pay all pensions and other liabilities as they come due.

(b) Basic Pension Benefit

The lifetime monthly pension calculation equals:

(i) 2.0% of the average of the five best annual salaries received during which pensionable service was accrued or, if the member has less than five years of pensionable service, the average of the annual salaries for their pensionable service,

(ii) multiplied by the lesser of thirty five years and the member’s years of pensionable service

(iii) divided by twelve months.

(c) Indexing Benefit

Whenever an indexing benefit is provided for pensions being paid out of the Civil Service Superannuation Fund, a similar benefit is to be provided for both deferred members and pensioners of this Plan. Legislation states however that the cost-of-living adjustments must not be less than two-thirds of the increase in the Consumer Price Index. Legislation limits the maximum annual adjustment to two-thirds of the increase in the Consumer Price Index (Canada) until the Indexing Benefits Account can pre-fund anticipated adjustments for the next twenty years.

(d) Retirement

A member with at least one year of service as an MLA is eligible to retire at age 55 once they have ceased to be an MLA.

(e) Death Benefits Pre-retirement

Upon the death of an active member, a survivor's benefit is payable to a spouse or partner or the member's estate when there is no survivor.

(f) Death Benefits Post-retirement

A death refund is payable to the estate of a pensioner or survivor where such pensions have not been paid to the full extent of the member's contributions plus interest.

(g) Withdrawal Refunds

Participants who cease to be an MLA may apply (subject to lock-in provisions) to withdraw funds from the Plan. Members may choose to leave their contributions in the Plan as a vested member.

2. Significant Accounting Policies

(a) Basis of Presentation

The financial statements are prepared on a going-concern basis as a separate financial reporting entity, in accordance with Canadian accounting standards for pension plans. The Fund has selected Part II (accounting standards for private enterprises) of the CPA Canada Handbook for issues not directly addressed by these standards. In accordance with these standards, statements prepared include the statement of financial position, the statement of changes in net assets available for benefits, the statement of changes in pension obligations and the statement of changes in surplus (deficit). They are prepared to assist participants and others in reviewing the financial activities of the Plan for the fiscal year.

(b) Investments

Investments are recorded at fair value on a trade date basis. The basis of determining the fair values of the investment categories is described below.

Fixed Income

(i) Short-term investments are valued at cost, which approximates market value.
(ii) Bonds and debentures are valued at market by independent sources.

Equities

(i) Publicly traded securities are valued at year end market prices as listed on the appropriate stock exchange.
(ii) Pooled equity funds are valued at market by the external manager based on the fair value of the underlying assets.

Other Investments

(i) Real estate investments are valued at fair value based on the most recent appraisals or external managers' valuations of the underlying properties.
(ii) Private equity, Infrastructure, and Private credit investments are valued at the fair value of the underlying investments as established by the external managers or at cost, which approximates fair value, when no valuation has been prepared.

(c) Foreign Currency Translation

Transactions denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing on the dates of the transactions. The foreign currency translation of these transactions (except for any foreign currency translation related to the acquisition of investments) is included in investment income or the current period change in fair value of investments (net realized gains or losses on the sale of investments) or administrative expenses.

The fair value of investments denominated in foreign currencies is translated into Canadian dollars at the exchange rate in effect at year-end and the resulting change from the translation at acquisition (or the prior year end) is included in the current period change in fair value of investments (net unrealized market gains or losses).

(d) Forward Contracts

A forward contract is a contractual obligation to buy or sell a specified amount of foreign currency at a predetermined future date and exchange rate. Forward contracts are recorded at fair value which is the estimated amounts that the Fund would receive or pay to terminate the contracts at the reporting date. Realized and unrealized gains or losses on forward contracts are recognized with the current period change in fair value of investments.

(e) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingencies at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the year. Actual results could differ from those estimates. Items requiring the use of significant estimates include Level 3 investments and Obligations for pension benefits.

(f) Related Party Transactions

The Plan's sponsor and administrator (and their close family members) are related parties of the Legislative Assembly Pension Fund. The sponsor of the Plan is the Government of the Province of Manitoba and the administrator of the Plan is the management of the Civil Service Superannuation Board (CSSB).

CSSB management and their close family members include board members, external committee members and senior management, as well as their spouses, and any controlled business or business subject to significant influence.

All related party transactions are recorded at the exchange amount. Material transactions, in aggregate, and balances are disclosed separately.

(g) Net Investment Income and Current Period Change in Fair Value of Investments

Dividend income is recognized based on the ex-dividend date; interest income and income from real estate, infrastructure, private equity, private credit, and security lending are recognized on the accrual basis as earned. Investment management expenses and transaction costs are reductions to gross investment income. Current period change in fair value of investments includes both realized and unrealized gains and losses. Unrealized gains and losses are recognized only when the fair value of the investment is based on a quoted market price in an active market or a valuation using appropriate valuation techniques is performed and approved by management.

(h) Benefits

Benefit payments to members, termination refunds to former members, and transfer payments to other plans are recorded in the period in which they are paid or payable.

3. Risk Management

Fair values of investments are exposed to market risk (interest rate risk, currency risk and price risk), credit risk and liquidity risk.

(a) Market Risk

Interest Rate Risk

Interest rate risk refers to the impact of interest rate changes on the Fund's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Fund's assets and liabilities. The value of the Fund's assets is affected by changes in interest rates.

The Fund's exposure to interest rate risk is concentrated in its investments in bonds and debentures. To properly manage the Fund's interest rate risk, appropriate guidelines on the weighting and duration for bonds and debentures are set and monitored by the Fund's Investment Committee.

The Fund has invested approximately 19.3% (2024 – 18.3%) of its assets in fixed income securities as at December 31, 2025, which generated a rate of return of 1.80% (2024 - 3.82%). The returns on fixed income securities are particularly sensitive to changes in nominal interest rates. As at December 31, 2025, if prevailing interest rates were raised or lowered by 100 basis points, with all other factors held constant, fixed income investments would likely have decreased or increased respectively by approximately $779,662 (2024 - $732,355). The Fund's interest rate sensitivity was determined based on portfolio weighted duration.

Currency Risk

Currency risk relates to the possibility that foreign currency-denominated investments will change in value due to future fluctuations in foreign exchange rates. The impacts can be positive or negative and can be significant given the volatility of foreign exchange rates. CSSB management and external managers hedge some of the Fund's currency exposure in invested assets using forward contracts.

The Fund's exposure in cash and investments to foreign currencies, net of hedging, reported in Canadian dollars is shown below:

As at December 31, 2025		Actual Currency Exposure		
Canadian dollar	$	26,609,262	50.1	%
US dollar		14,250,197	26.8	
Euro		2,842,384	5.4	
Japenese yen		2,029,380	3.8	
Pound sterling		1,628,893	3.1	
Hong Kong dollar		1,288,407	2.4	
Korea won		724,344	1.4	
Australia dollar		636,931	1.2	
Other currencies		3,100,260	5.8	
Total investments	$	53,110,058	100.0	%

A 10 percent increase or decrease in exchange rates, net of hedging, with all other variables held constant, would result in a change in unrealized gains (losses) of $2,650,100 (2024 - $2,459,900).

Price Risk

Price risk is the risk that the value of an investment will fluctuate as a result of a change in market conditions (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Fund's equity and other equity-based investments are sensitive to market fluctuations. To assist in mitigating the impact of price risk, the Fund's Investment Committee has established appropriate guidelines on asset diversification to address specific security, geographic, sector and investment manager risks which they monitor on a regular basis. A decline or increase of 10 percent in fair values of public equities, with all other variables held constant, will impact the Fund's investments by an approximate loss or gain of $2,991,127 (2024 - $2,608,242). A decline or increase of 10 percent in fair values of private market investments, with all other variables held constant, will impact the Fund's investments by an approximate loss or gain of $1,296,245 (2024 - $1,376,789).

(b) Credit Risk

Credit risk is the risk of loss from the failure of a counter party to discharge its contractual obligations. At December 31, 2025, the Fund's maximum credit risk exposure relates to bonds and debentures, short-term investments and cash totaled $10,236,334 (2024 - $8,941,600), receivable of $29,626 (2024 - $0) and accrued interest of $93,088 (2024 - $77,597) totaled $10,359,048 (2024 - $9,019,197). The Fund's Investment Committee limits credit risk by concentrating on high quality securities and adhering to a Statement of Investment Policies and Procedures. The Policy establishes investment ownership limits and acceptable credit ratings. In the case of bonds and debentures, all bonds must be rated BBB- or higher at the time of purchase.

All transactions in listed securities are settled upon delivery using approved investment managers. The risk of default is considered minimal, as delivery of securities sold is only made once the investment manager has received payment. Payment is made on a purchase once the securities have been received by the investment manager. The trade will fail if either party fails to meet its obligation.

The breakdown of the Fund's bond and debentures portfolio by credit rating from various rating agencies is presented below:

Credit Rating	2025 Fair Value		2024 Fair Value	
AAA	$ 2,723,800	32.9%	$ 2,070,816	26.4%
AA	1,913,355	23.1	3,094,622	39.4
A	3,273,561	39.6	2,223,705	28.4
BBB+	275,599	3.3	329,750	4.2
BBB and lower	88,098	1.1	126,842	1.6
	8,274,413	100.0%	7,845,735	100.0%
Cash and short-term	21,451		(309,244)	
Total bonds and debentures	$ 8,295,864		$ 7,536,491	

Credit risk associated with contributions receivable is minimized due to their nature. Contributions are collected from participating members through the payroll process. No provision for doubtful contributions receivable has been recorded in either 2025 or 2024.

(c) Liquidity Risk

Liquidity risk is the possibility that investments of the Fund cannot be readily converted into cash when required to meet contractual obligations. The Fund may be subject to liquidity constraints because of insufficient volume in the markets for the securities of the Fund or other securities may be subject to legal or contractual restrictions on their resale. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active public market and can be readily sold. Although market events could lead to some investments becoming illiquid, the diversity of the Fund's portfolio and current contribution levels should ensure that liquidity is available for benefit payments.

The term to maturity and related market values of fixed income investments are as follows:

Term to Maturity	2025	2024
Less than one year	$ 1,961,922	$ 1,095,866
One to five years	1,776,323	1,567,912
Over five years	6,498,090	6,277,822
Total fixed income investments	$10,236,334	$ 8,941,600

(d) Fair Value

The following is a summary of the inputs used as of December 31, 2025 and 2024 in the measurement of the fair value of the Fund's investments based on the fair value hierarchy:

	Level 1 Quoted Prices in Active Markets		Level 2 Significant Other Observable Inputs		Level 3 Significant Unobservable Inputs		Total 2025
Assets							
Short-Term	$	255,492	$	1,684,978	$	-	$ 1,940,470
Bonds and debentures		-		8,295,864		-	8,295,864
Equities		26,039,822		3,871,450		-	29,911,272
Infrastructure		-		-		4,784,029	4,784,029
Private equity		-		-		1,528,264	1,528,264
Private credit		-		-		2,312,170	2,312,170
Real estate		-		-		4,337,989	4,337,989
Total investments, Note 2(b) and Schedule 1	$	26,295,314	$	13,852,292	$	12,962,452	$ 53,110,058

	Level 1 Quoted Prices in Active Markets		Level 2 Significant Other Observable Inputs		Level 3 Significant Unobservable Inputs		Total 2024
Assets							
Short-Term	$	193,875	$	1,211,234	$	-	$ 1,405,109
Bonds and debentures		-		7,536,491		-	7,536,491
Equities		22,820,421		3,261,994		-	26,082,415
Infrastructure		-		-		5,089,412	5,089,412
Private equity		-		-		1,555,335	1,555,335
Private credit		-		-		2,527,834	2,527,834
Real estate		-		-		4,595,311	4,595,311
Total investments, Note 2(b) and Schedule 1	$	23,014,296	$	12,009,719	$	13,767,892	$ 48,791,907

At December 31, 2025, no equity investments were transferred from Level 1 to Level 2. All securities in Level 1 can be traded in an active market.

During the year ended December 31, 2025, the reconciliation of investments measured at fair value using unobservable inputs (Level 3) is presented as follows:

	Infrastructure	Real estate	Private equity	Private credit	Total
Beginning Balance	$ 5,089,412	$ 4,595,311	$ 1,555,335	$ 2,527,834	$ 13,767,892
Purchases	177,512	191,526	94,335	75,333	538,706
Sales and withdrawals	(732,429)	(498,129)	(98,266)	(274,161)	(1,602,985)
Capitalized income	737,667	127,855	155,957	137,438	1,158,917
Change in unrealized appreciaton (depreciation)	(488,133)	(78,574)	(179,097)	(154,274)	(900,078)
Ending Balance	$ 4,784,029	$ 4,337,989	$ 1,528,264	$ 2,312,170	$ 12,962,452

(e) Security Lending

The Fund participates in a securities lending program through the lending agent, State Street Trust Company Canada. Under the program, the Fund will lend various securities in its possession to borrowers approved by the lending agent. The loans can be secured by either securities or cash collateral. The Fund has risks under this program including borrower default and reinvestment risk, mitigated by an indemnification clause in the securities lending agreement with State Street Bank and Trust Company.

4. Contributions

	2025	2024
Employees – regular, bi-weekly contributions	$ 1,025,961	$ 620,400
Employer – regular, bi-weekly contributions	1,174,576	1,105,691
	$ 2,200,537	$ 1,726,091

5. Part III and Part IV Benefits

Pursuant to the *Income Tax Act Regulation 8503 (3)(c) and 8504*, there is a maximum annual pension benefit from a registered pension plan. Any amount in excess of the defined benefit limit is not considered registered and therefore must be paid outside of the registered pension plan (Part IV benefits). In accordance with section 46 of the *Members' Retirement Benefits Regulation* of *The Legislative Assembly Act*, there is no maximum salary limit or early retirement reductions; therefore, a member does not lose any benefits.

The breakdown of Part III (registered) and Part IV (unregistered) cash flows is as follows:

		Part III		Part IV		Total – 2025
Contributions						
Employees	$	1,025,961	$	-	$	1,025,961
Employer		1,042,159		132,417		1,174,576
		2,068,120		132,417		2,200,537
Net investment income		1,411,387		3,191		1,414,578
Current period change in fair value of investments		3,454,958		7,811		3,462,769
Total increase in assets		6,934,465		143,419		7,077,884
Pension benefits paid		1,883,089		86,809		1,969,898
Refunds and transfers		371,697		244,840		616,537
Administrative expenses		95,260		14,010		109,270
Total decrease in assets		2,350,046		345,659		2,695,705
Increase in net assets		4,584,419		(202,240)		4,382,179
Net assets available for benefits, beginning of year		48,539,709		215,551		48,755,260
Net assets available for benefits, end of year	$	53,124,128	$	13,311	$	53,137,439

		Part III		Part IV		Total – 2024
Contributions						
Employees	$	620,400	$	-	$	620,400
Employer		922,339		183,352		1,105,691
		1,542,739		183,352		1,726,091
Net investment income		1,127,296		4,690		1,131,986
Current period change in fair value of investments		5,992,351		24,945		6,017,296
Total increase in assets		8,662,386		212,987		8,875,373
Pension benefits paid		1,743,979		84,769		1,828,748
Refunds and transfers		125,108		61,355		186,463
Administrative expenses		98,124		7,671		105,795
Total decrease in assets		1,967,211		153,795		2,121,006
Increase in net assets		6,695,175		59,192		6,754,367
Net assets available for benefits, beginning of year		41,842,534		158,359		42,000,893
Net assets available for benefits, end of year	$	48,537,709	$	217,551	$	48,755,260

6. Current Period Change in Fair Value of Investments

	2025	2024
Net realized gains on the sale of investments	$ 2,377,478	$ 2,078,603
Net unrealized market gains	1,085,291	3,938,693
	$ 3,462,769	$ 6,017,296

7. Related Party Transactions and Balances

In accordance with the *Members' Retirement Benefits Regulation*, The Civil Service Superannuation Board is the administrator of the Plan. The related costs of administering the Plan are to be charged to the Fund. These administrative services were received in terms and conditions comparable to market terms and conditions. For the year ended December 31, 2025, the cost of these services amounted to $13,706 (2024 - $15,637).

8. Administrative Expenses

	2025	2024
Audit fees	$ 14,980	$ 14,445
Actuary fees	80,369	75,350
Administration fees (Note 7)	13,706	15,637
Office and administration	215	363
	$ 109,270	$ 105,795

9. Obligations for Pension Benefits

In accordance with *The Legislative Assembly Act*, an actuarial valuation of the Plan is required at least every three years. The actuarial valuation was last completed as at December 31, 2023 by Ellement Consulting Group.

The actuarial present value of pension obligations including indexing benefits, based on service to date, was extrapolated by the actuary to December 31, 2025. The principal components of the changes in actuarial present value during the year are as follows (also refer to Exhibit C):

	Part III	Part IV	Total – 2025
Actuarial present value of pension obligations based on service to date, beginning of year	$ 42,963,171	$ 1,544,702	$ 44,507,873
Change in actuarial assumptions - beginning of year	(961,854)	-	(961,854)
Experience (gain) loss	(135,462)	242,398	106,936
Past Service Purchased	397,565	-	397,565
Benefits accrued	1,670,555	-	1,670,555
Benefits and administrative expenses paid	(2,350,046)	(345,660)	(2,695,706)
Interest on accrued benefits	2,528,454	90,331	2,618,785
Change in reserves	-	-	-
Change in actuarial assumptions	154,408	(261)	154,147
Actuarial present value of pension obligations based on service to date, end of year	$ 44,266,791	$ 1,531,510	$ 45,798,301

	Part III	Part IV	Total – 2024
Actuarial present value of pension obligations based on service to date, beginning of year	$ 41,164,814	$ 1,998,771	$ 43,163,585
Change in actuarial assumptions - beginning of year	-	-	-
Experience (gain) loss	(570,024)	(406,696)	(976,720)
Benefits accrued	1,542,739	-	1,542,739
Benefits and administrative expenses paid	(1,967,211)	(153,795)	(2,121,006)
Interest on accrued benefits	2,541,723	107,408	2,649,131
Change in reserves	125,002	-	125,002
Change in actuarial assumptions	126,128	(986)	125,142
Actuarial present value of pension obligations based on service to date, end of year	$ 42,963,171	$ 1,544,702	$ 44,507,873

The Plan liabilities may change significantly in the next year based on variances between actual versus expected investment and demographic experience.

Significant long-term actuarial assumptions used in the December 31, 2024 and 2023 actuarial valuations of the present value of the accrued basic pension obligations were:

	2024	2023
Liability discount rate	5.50%	5.50%
Annual rate of return	5.50%	5.50%
Salary escalation rates:		
(i) general increases		
a) inflation component	2.00%	2.00%
b) productivity component	0.50%	0.50%
(ii) service, merit and promotional increases	Nil	Nil
Mortality rates:		
(i) mortality	CPM 2014 Public	CPM 2014 Public
(ii) mortality improvements	Scale B	Scale B
Indexing	2.00%	2.00%

The extrapolation to December 31, 2025 was based on the assumptions used in the 2024 actuarial valuation. The extrapolation also reflects the demographic experience to December 31, 2025.

The next actuarial valuation will be prepared as at December 31, 2025 and will be completed by the summer of 2026.

10. Capital Disclosures

In the context of the Fund, capital is defined as the net assets available for pension benefits. Externally-imposed capital requirements relate to the administration of the Fund in accordance with the terms of the Fund and the provisions of the Income Tax Act (Canada). The Fund has developed appropriate risk management strategies, as described in Note 3, to preserve the net assets available for benefits. The Fund has complied with externally-imposed capital requirements during the year.

11. Future Commitments

The Fund has contractual obligations for future investment transactions, which may be funded over the next several years in accordance with the terms and conditions agreed to. As at December 31, 2025, the Fund's share of the outstanding commitment is $4,659,850 (2024 - $4,016,194).

12. Comparative Figures

Certain of the 2024 comparative figures have been reclassified to conform with the presentation adopted for 2025.

SCHEDULE 1

LEGISLATIVE ASSEMBLY PENSION FUND
Summary of Investments
As at December 31, 2025

	2025	2024
Fixed income		
Short-term	$ 1,940,470	$ 1,405,109
Bonds and debentures	8,295,864	7,536,491
Total fixed income	10,236,334	8,941,600
Equities		
Domestic	5,854,316	4,889,236
Foreign	24,056,956	21,193,179
Total equities	29,911,272	26,082,415
Real estate	4,337,989	4,595,311
Private equity	1,528,264	1,555,335
Private credit	2,312,170	2,527,834
Infrastructure	4,784,029	5,089,412
Investments, Exhibit A	**$ 53,110,058**	**$ 48,791,907**

The accompanying notes are an integral part of these financial statements.

SCHEDULE 2

LEGISLATIVE ASSEMBLY PENSION FUND
Schedule of Investment Income
For the year ended December 31, 2025

	2025	2024
Fixed income		
Short-term	$ 44,472	$ 52,016
Bonds and debentures	288,623	306,955
Total fixed income	333,095	358,971
Equities		
Domestic	142,844	156,301
Foreign	396,967	364,146
Total equities	539,811	520,447
Real estate	222,338	196,699
Private equity	155,972	9,030
Private credit	118,760	93,141
Infrastructure	304,764	165,182
Security lending revenue	6,808	6,551
Gross investment income	1,681,548	1,350,021
Less:		
Investment management expenses	239,979	190,857
Investment transaction costs	26,991	27,178
	266,970	218,035
Net investment income, Exhibit B	**$ 1,414,578**	**$ 1,131,986**

The accompanying notes are an integral part of these financial statements.

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